

**Local Food Promotion Program (LFPP)
Final Performance Report**

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

LFPP Phone: 202-720-2731; Email: USDALFPPQuestions@ams.usda.gov; Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

Report Date Range: (e.g. September 30, 20XX-September 29, 20XX)	September 30, 2014 – March 30, 2016
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Recipient Organization Name:	Mandela MarketPlace
Project Title as Stated on Grant Agreement:	Advancing Mandela Fresh Foods Distributors
Grant Agreement Number: (e.g. 14-LFPPX-XX-XXXX)	14-LFPPX-CA-0021
Year Grant was Awarded:	2014
Project City/State:	Oakland, CA
Total Awarded Budget:	\$90,580

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?

☒ Same Authorized Representative listed above (check if applicable).

☐ Different individual: Name: _____; Email: _____; Phone: _____

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1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.

GOAL 1: To expand buyers and consumers for the existing Mandela Local Food System farmers, warehouse aggregator, retailers and booth operators.

OBJECTIVE 1: To improve outreach and marketing to buyers and consumers of Mandela Fresh Foods Distributors, expanding sales from 170,000 lbs in 2013 to 300,000 lbs (43%)

OBJECTIVE 2: Create 2 new and retain 2 jobs, secure 10 new clients, and increase annual sales by \$100,000

Progress Made:

- Mandela Foods Distribution sales increased by 21% to \$215,000. We assessed why sales growth was slower than anticipated, and discovered that the farmers needed additional capacity building in order to respond to the growing demand.
- In order to build farmer capacity Mandela Foods Distribution provided farmers with:
 - new, reusable packing boxes
 - technical assistance for monitoring wholesale quality control (different from farmers market sales)
 - pre-harvest payments to assist them with cash flow to respond to increasing demand.
- Mandela MarketPlace leveraged \$100,000 for pre-harvest financing for wholesale purchases from farmer partners and additionally leveraged \$100,000 from California FreshWorks Fund to provide loans to the farmers for tractors, hoop houses, and other needed inputs to improve their quality and consistency of product
- Two positions were retained for the operation and development of Mandela Foods Distribution
- Two new positions were created for healthy retail programming to increase sales and distribution of locally sourced produce in low food access communities
- 8 new clients were secured, with 3 additional planned in Q3 of 2016
- Based on 2016 sales trends, MFD will reach \$300,000 by December 2016

Impact on Community

- Increased access to fresh, locally sourced produce by 30%, or 80,000 lbs.
- Increased delivery sites from 7 to 15, including 4 new retailers and 4 new produce stands, serving over 30,000 low-income/low-access residents
- Increased healthy, fresh foods education/interaction with over 10,000 residents through health education events, reaching 400-600 residents per month, at healthy retail sites, offering:
 - Funds leveraged from Alameda County Public Health Department provided fresh food samples along with recipes, coupons and giveaways to promote healthy eating and the availability of nutritious items in the store to augment health education activities

- demos set-up in front of the store intentionally to reach the local community at the point of purchase.

GOAL 2: To increase capacity to operate an effective data-driven system of supply and demand through implementation of state of the art information technology

OBJECTIVE 1: By 10/7/2014, select & purchase an appropriate warehouse & inventory system with mobile applications available to booth operators, and secure online access to all key stakeholders, including farmers, retailers and evaluators to increase staff efficiency by 30%.

Progress Made:

An adjustment was made to Goal 2 to lease a refrigerated van in order to improve quality control of produce harvested by small scale farmer partners

The refrigerated van allowed farmers to increase wholesale sales by 48%, from \$145,000 to \$230,000, to retailers, and increase farmer income by \$10,000-\$15,000

We updated our Filemaker wholesale inventory and order management system, which increased order and inventory management efficiencies, reducing waste by 1%.

Impact on Community:

In the *Advancing MFFD* project, MMPlace increased access and create economic opportunities for both its farmer partners and retailers in Oakland and Alameda County-based markets, generating \$230,000 in sales, and projected, based on current sales trends, to reach \$300,000 by December 2016.

With improved inventory management, MFFD Project was able to reduce waste by 1%, and broaden its sales pipeline through 8 new contracts with retailers, community clinics, and schools;

The refrigerated van increased freshness and shelf-life of produce which increased sales to small market retailers by over \$10,000 per year.

MFFD is established as the only local aggregator focused on expediting administrative requirements, meeting personalized delivery needs, adequately staffing, and overcoming otherwise daunting barriers to opening these new avenues of income for our network farmers.

Mandela Foods Distribution recently joined with the Northern California Food Hub Network, hosted by UC Davis' SAREP division to expand its regional reach, and offerings from local farmers.

2. Quantify the overall impact of the project on the intended beneficiaries, if applicable, from the baseline date (the start of the award performance period, September 30, 2014).

- i. Number of direct jobs created: 2
- ii. Number of jobs retained: 2
- iii. Number of indirect jobs created: 4

- iv. Number of markets expanded: 7
- v. Number of new markets established: 8
- vi. Market sales increased by \$45,000 and increased by 21%.
- vii. Number of farmers/producers that have benefited from the project: 25

3. Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? If so, how?

Our customer base expanded by:

- Expanding the healthy retail sites, including 4 new small markets and 4 new produce stands, reaching 30,000 customers
- Conducting nutrition education classes and events at retail sites, reaching 400-600 customers per month
- Improving shelf-life, quality and consistency of produce to supply 7 existing and 8 additional retail sites
- Increasing produce sales at healthy retail sites (corner markets & produce booths) from \$26,000 in 2014 to \$116,000 in 2016 (projected through December 2016); 400% increase in produce sales.
- Increasing sales to mid-sized grocer from \$140,000 in 2014 to \$185,000 in 2016; 24% increase in produce sales.

4. Discuss your community partnerships.

i. Who are your community partners?

- Oakland Housing Authority (OHA)
- Oakland Unified School District (OUSD)
- Highland Hospital/Alameda Health Systems (AHS)
- Alameda County Public Health Dept. (ACPHD)
- Resources for community Development (RCD)
- Credibles
- Retail Markets: *Wah Fay @ 2101 8th Avenue; Sky Market @ 2645 14th Avenue; General Liquor @ 43rd & Market Street; Bottles Liquor @ 12th & Market Street; Millennium Market @ 18th & Market Street; N&A Market @ 32nd & Adeline Street; Sav-Mor @ 14th & Peralta Street; Mandela Foods Cooperative*
- Produce Stands: *OUSD: Met West/La Escuelita, Cesar Chavez Elementary; OHA: Palo Vista Gardens; AHS: Highland Hospital; North Oakland Senior Center; West Oakland Health Center; Castlemont Community Market*
- Northern CA Food Hub Network

ii. How have they contributed to the overall results of the LFPP project?

Our community partners are critical to reaching target populations, increasing the healthy food access sites throughout the region, and expanding markets for the farmers we serve. They

provide space and outreach support to establish healthy retail sites throughout low-income/low-access communities.

With the support of our partners, MFFD:

- Increased sales of locally sourced produce by 21%
- Piloting SNAP-match (FreshCredits) to increase fresh produce purchases, and increase SNAP enrollment by 400 clients
- Directs clients to healthy retail sites, where produce is distributed from MFD
- Provides additional funding, leveraged against LFPP grant funds
- Institutional partnership increase credibility of MFFD and MMP healthy retail programs, and demand for healthy food

iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?

- Ongoing partnerships with AHS, OHA, RCD, OUSD to continue and expand healthy retail sites, including produce stands and small retailers.
- Ongoing activities in community outreach and nutrition education
- Continued food security screening at the hospital clinics
- Referrals to SNAP enrollment for eligible clients
- Retailers continue to order healthy food items from Mandela Foods Distribution

5. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project?

N/A

6. Have you publicized any results yet?*

Mandela MarketPlace sends regular newsletters to an e-list of 2,000 highlighting the programs and farmers supported with LFPP funds

Our work was featured in a PolicyLink published case study, and is available on the Healthy Food Access Portal (<http://www.policylink.org/find-resources/library/building-community-based-food-system-west-oakland>). This is the first of a 3-part case study. Part 2 will highlight increased sales and consumption of healthy foods, and is planned for publication in early 2017.

7. Have you collected any feedback from your community and additional stakeholders about your work?

1. Pre-/post- customer surveys at three of our Healthy Retail store partner sites (Sky Market, General Grocery, and Wah Fay Market)
 - a. 71% of respondents spend \$5-15 during each shopping visit to the stores;

- b. 81% of respondents buy fresh vegetables at least biweekly at the stores (*fresh produce is sourced directly from Mandela Foods Distribution*)
 - c. 84% of respondents said the fresh vegetables and fruits are priced affordably at the stores
- 2. Randomized customer tallies at each of our Healthy Retail sites
 - a. In one day, our partner store network had a combined total of 80 individual customers purchasing fresh fruits or vegetables (*fresh produce is sourced directly from Mandela Foods Distribution*)
 - b. Annually, our network of Community Produce Stands sells to 2,868 individual customers on a weekly or monthly basis (*produce is sourced directly from Mandela Foods Distribution's network of small farmers*)
 - c. In 2015, our network of Community Produce Stands sold \$75,972 of produce sourced directly from small farmers
- 3. Detailed transaction analysis of Mandela Foods Cooperative
 - a. Annually, Mandela Foods Cooperative logs over 35,000 produce transactions (*fresh produce is sourced directly from Mandela Foods Distribution*)

8. Budget Summary:

- i. As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report: ☒
- ii. Did the project generate any income?
 - a. If yes, how much was generated and how was it used to further the objectives of the award? N/A

9. Lessons Learned:

Positive Experiences:

- 1) Leasing a refrigerated van has improved the quality and shelf life of our produce. Produce is looking much fresher and lasts longer. It has also allowed us to do farm pick-ups more frequently.
- 2) Through a partnership with Farmlink, a local Community Development Finance Institution, and the FreshWorks Fund, Mandela MarketPlace was able to leverage \$200,000 in micro-loan funds directed to supporting our farmer partners, and small retail clients. Funds provide pre-harvest finance to farmers based on historic and estimated sales to Mandela Foods Distribution, and small loans for equipment and other needs to increase farmer capacity to serve wholesale markets. Providing the farmers with resources like loans has been a huge help for the farmer and us. Through these loans, farmers were able to buy

seeds and equipment in advance to assure that their operations run efficiently for the upcoming season. It has also helped us, since we invested in them, they have prioritized and see us more as a partner in their operations, strengthening our relationship with our farmers,

- 3) We now purchase larger quantities of produce, which has allowed us to expand our Community Produce Stands and offer more fresh produce to different communities in Oakland.
- 4) File maker pro has allowed us to understand our client base more and which products are higher in demand. We are able to take this information and used it when purchasing produce from our Farmers. File maker pro has also allow us to create proper invoices for our customers. It has also been very helpful in tracking purchasing and sales data. We can now print out reports on sale statistics, waste, donations etc. But we still need to find a way to sync File Maker pro to other computers in our facility with different access points for each of our employees, Different access permissions to ensure that no one accidentally accesses or alters any important data on there, just the data that they need to input or adjust.

All of this has allowed us to work more efficiently and expand the work that we are doing.

Challenges:

In establishing and expanding our "Wholesale Produce Distribution Business," we are running in to some Challenges.

SPACE: We need a bigger walk-in refrigerator and warehouse facility. We have expanded our operations with the Healthy Retail program's produce stands and retail locations, so now our walk in refrigerator is at full capacity with produce for those programs in particular. Ideally we need a bigger refrigerator to hold as many boxes of produce (in backstock) ready for wholesale purchasing by clients. We also need multiple "Walk-In Refrigerators" with different temperature settings. Dealing with fruits and vegetables, we have realized that not everything is stored at the same temperature. Fruits and Vegetables all have different storage temperatures to maximize quality and shelf life.

Limitations: Most of our farmers rent the land they are working on. This limits their capabilities to expand or develop their farm and business as much as they like. They are unable to construct or build proper facilities to house their produce. Right now they pick and package our produce 30 minutes to 1 hour before we arrive for pick up. They do this to maximize quality and shelf life due to not having refrigeration units on the land. Luckily we have the refrigerated van, so we show up just in time to pick up freshly picked produce and maintain its shelf life. But this is not efficient for the farmer, they would much rather have a refrigeration unit on the land to pick and package their produce 1 day in advance or the morning of, to store in the refrigerator

and continue with the work day. This also affects our pick up days and time. Ideally we would like to do farm pickups during times when traffic is not at its worse.

Climate And Hoop Houses: These last 3 years have been tough for all farmers. The Climate is getting hotter and the seasons are shorter. Produce has become less available now that the weather is not steady and unpredictable. Our farmers are in need of hoop houses with huge fans to keep crops cool and at a proper temperature to keep growing crops. The seasons are either too hot or too cold to maintain crops for a longer period.

10. Future Work:

The LFPP funding we received allowed us to leverage additional \$1,800,000 in funds from Center for Disease Control, USDA, and Alameda County Public Health Department to improve working relationships between members of our food system coalition, develop and implement an evaluation model, contract for a 3-year case study series, the first was published in early 2016, and stabilize a local food system and distribution hub that meets the needs of both small and medium scale farmers, urban retailers and consumers.

The Healthy Retail network and Mandela Foods Distribution Center support local, family-owned businesses that are a part of the existing social fabric of a neighborhood, helping them implement healthy changes in the store that translates to improved health throughout the community. By delivering produce to neighborhood corner stores, the Healthy Retail Network increases local access points for nutritious food, making produce and grocery items readily available in the places that community members frequent the most. In addition to increasing access to healthy food, the Healthy Retail Network also provides complementary services to encourage consumption, which include improving the store environment, marketing, and nutrition education. The healthy retail network is growing – as retailers and consumers increase demand for locally sourced produce and healthier foods. This expansion has increased the customer base for Mandela Foods Distribution, strengthening their customer base to expand the distribution business. Over the last 18 months, we have noted significant increase in produce sales, and consumer demand. We have also engaged in several partnerships with institutions and agencies interested in meeting local, fresh food needs of their clients – including local hospitals, schools and affordable housing developers. These partnerships are critical in sustaining the work, assuring space, outreach resources and a growing customer base continue to increase the sales and revenue of Mandela Foods Distribution. The healthy retail program anticipates adding 3 new positions to meet the growing demand.

Based on current sales trends, and with plans for future expansion, and new partnerships, we forecast that the revenue/sales growth trajectory will continue so that Mandela Foods Distribution will generate profit over the next 5 years.

Mandela Foods Distribution has applied for a processing permit so that the business can expand its offerings to farmers, and to retailers, to include chopped and frozen products. Adding processing will create at least one new job, and will broaden the income stream and demand for locally sourced produce. MFD's reach for processed foods would include local clients in Alameda County, and regionally through the Northern California Food Hub, and partnership with San Joaquin Public Health Department.

Mandela MarketPlace plans to expand its healthy retail program to a minimum of 15 retail sites, and its offerings from Mandela Foods Distribution to include frozen and processed, which, based on current growth trajectories, would increase sales revenue of MFD by 100% over 2 years. One of the store owners we serve states: *"As food trends change, more and more of my customers are asking for healthy foods, for the fresh fruits and veggies. It's like a trickle-down thing- if it's in the expensive stores, why can't it be at my store, too?"* (Ali Mohamed, General Store Owner)

Mandela MarketPlace also plans to expand its farm and retail finance program by increasing the amount of funds available for micro-finance, pre-harvest finance, and other capital support from its current \$285,000 to \$400,000 over the next 2 years. One of the farmers we work with states: *"In addition to helping me grow my business by increasing access to markets, Mandela Foods Distribution and Mandela MarketPlace have also helped me secure capital to purchase a refrigerated truck which has helped me transport produce more efficiently, increase its shelf life, and build a larger customer base"* (Efren Avalos, Avalos Farms)

Mandela MarketPlace continues to seek funding and investment for expansion of this unique distribution business, that builds both farmer capacity and consumer demand, and for funding to continue to support community outreach and education, small business development, and small business finance to grow demand especially among residents who face economic and food access challenges.